

Procurement Card Audit

July 28, 2020

Project Team:

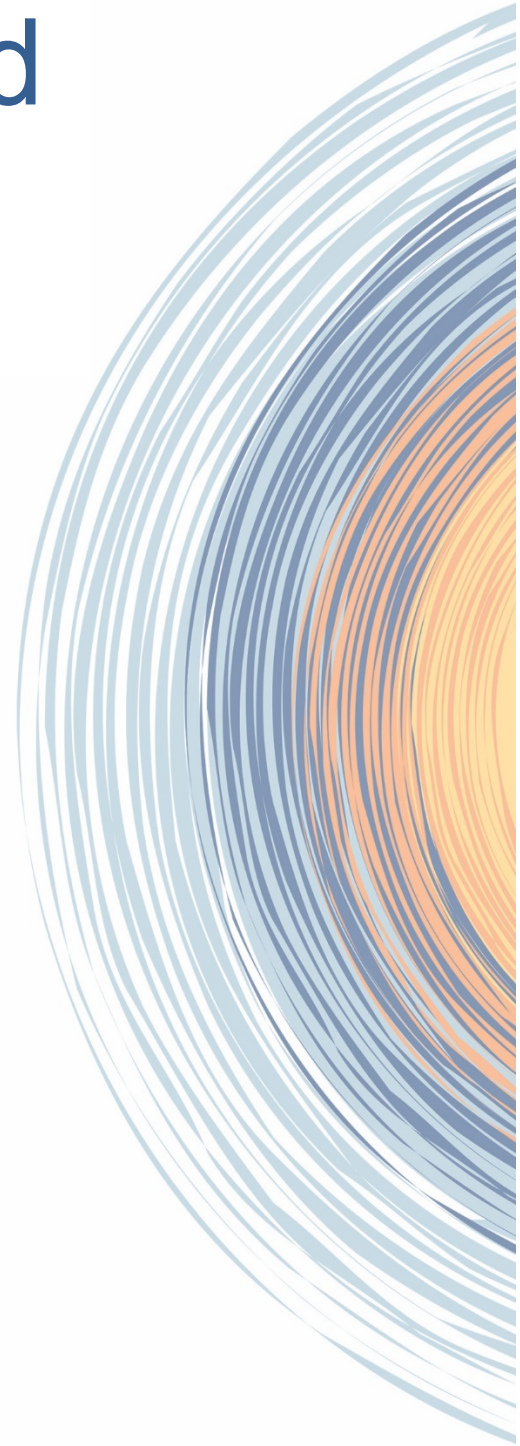
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Mission Statement

To enhance and protect organizational value by providing high-quality, objective, risk-based audit and consulting services to assist the City in accomplishing strategic priorities, goals, and objectives.



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Executive Summary

Purpose

The Internal Audit Office (IAO) reviewed the City of Tempe (City's) Procurement Card Program to determine if procurement card processes and controls are designed to prevent and detect fraud and misuse, verify transactions followed established guidelines, and determine if incentive benefits are optimized and applied correctly.

Background

The Procurement Division of the Internal Services Department (Procurement) is responsible for managing the acquisition of materials, supplies, and services for the City of Tempe with the exclusion of architectural, engineering and construction services. Procurement also confirms supplier compliance by performing periodic reviews of contracts established through competitive bidding.

Procurement additionally administers the Procurement Card Program. This program currently includes approximately 418 cardholders with a total average annual expenditure of \$8.1 million over the last three years. Procurement cards are provided to employees to efficiently conduct business-related purchases of goods and authorized services.

Results in Brief

1. Citywide Procurement Card Program policies require revision. Current program policies should more specifically address food purchases and guidance should explicitly set boundaries for acceptable purchase practices. Additionally, written procedures clearly defining the roles and responsibilities of Procurement staff are needed to ensure consistent program administration and continuity.
2. Overall, procurement card expenditures we reviewed followed recommended processes and complied with policy. Very minor instances of noncompliance were identified as well as some areas of policy requiring clarification.
3. Based on our recalculation of FY 2018-2019 procurement card expenditures and agreed-upon rebate rates, the program rebate paid to the City by Bank of America was materially accurate and representative of annual procurement card expenditures. Procurement is conducting research to further maximize incentive rebate payments to the City.

Recommendations

Our detailed audit report includes several recommendations to address policy and procedure updates, employee training opportunities and program advancement.

Department Responses to Recommendations

<p>Rec. 1.1: Update current program guidelines and policies. At a minimum, address the following areas:</p> <ul style="list-style-type: none"> ▪ Establish program purpose and goals and identify in all procurement card guidance. ▪ Identify tobacco products as prohibited. ▪ Develop guidance that establishes a dual responsibility for Procurement staff and cardholder departments to monitor low and inactive card use. 	
<p>Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will be responsible for the following:</p> <ul style="list-style-type: none"> • Update the <i>Procurement Card Program Guidelines</i> (guidelines for cardholders) to include: <ul style="list-style-type: none"> ○ Purpose and goals of the program, ○ Prohibition of tobacco product purchases, ○ Guidance on low and inactive card use, ○ Guidance more specific to food purchases, ○ Guidance on employee appreciation purchases, ○ Guidance on purchases from political organizations. • Develop separate <i>Procurement Staff Administration and Review Procedures</i> (guidelines for Procurement Administrator and assigned Specialist for managing the program) to include: <ul style="list-style-type: none"> ○ Purpose and goals of the program, ○ Definition of the roles and responsibilities of the Procurement Officer and the Specialist as the program administrators, ○ Tracking and reporting mechanism for card misuse when identified by Procurement staff, ○ Proper secure storage of new and replacement cards, ○ Guidance on inactive card use, 	<p><u>Target Date:</u> 10/31/2020</p>
<p>Explanation, Target Date > 90 Days:</p>	
<p>Rec. 1.2: Develop training for supervisors of cardholders and evaluate potential refresher training for all cardholders.</p>	
<p>Response: We concur with the recommendation. The Procurement Administrator will develop the following:</p> <ul style="list-style-type: none"> • A mandatory procurement card training program for cardholder supervisors, 	<p><u>Target Date:</u> 1/31/2021</p>

<ul style="list-style-type: none"> • A refresher training for procurement cardholders. 	
<p>Explanation, Target Date > 90 Days: Staff anticipates developing mandatory online training and will work with IT to develop the training. It is anticipated that this will take at least six months to develop.</p>	
<p>Rec. 1.3: Enhance procurement card site on SharePoint to provide employees with information to encourage compliant and efficient card use.</p>	
<p>Response: We concur with the recommendation. Staff will update the procurement card SharePoint site to include:</p> <ul style="list-style-type: none"> • The revised <i>Procurement Card Program Guidelines</i> (guidelines for cardholders), • The new <i>Procurement Staff Administration and Review Procedures</i> (guidelines for Procurement Staff for managing the program), • The purpose and goals of the program. 	<p><u>Target Date:</u> 10/31/2020</p>
<p>Explanation, Target Date > 90 Days:</p>	
<p>Rec. 1.4: Develop written department procedures that clearly define the roles and responsibilities of the Procurement Card Program Administrator and assigned Specialist.</p>	
<ul style="list-style-type: none"> • Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will develop separate <i>Procurement Staff Administration and Review Procedures</i> (guidelines for Procurement Administrator and assigned Specialist for managing the program) to include: <ul style="list-style-type: none"> ○ Purpose and goals of the program, ○ Definition of the roles and responsibilities of the Procurement Officer and the Specialist as the program administrators, ○ Tracking and reporting mechanism for card misuse when identified by Procurement staff, ○ Proper securing/storage of new and replacement cards, ○ Guidance on inactive card use. 	<p><u>Target Date:</u> 10/31/2020</p>
<p>Explanation, Target Date > 90 Days:</p>	
<p>Rec. 1.5: Review current City of Tempe custom merchant category codes established with Bank of America to determine if modifications are needed to better fit organizational needs.</p>	

Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will review the custom merchant category codes established with Bank of America to determine if modifications are needed to better fit organizational needs.	<u>Target Date:</u> 10/31/2020
Explanation, Target Date > 90 Days:	
Rec. 1.6: Consolidate spend control profiles and ensure all profiles have cash prohibited and 0% ATM allowances.	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will review and consolidate spend control profiles and ensure all profiles have cash prohibited and 0% ATM allowances to facilitate oversight and management of the program.	<u>Target Date:</u> 10/31/2020
Explanation, Target Date > 90 Days:	
Rec. 1.7: Securely store all procurement cards.	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will ensure proper securing/storage of new and replacement cards	<u>Target Date:</u> 8/15/2020
Explanation, Target Date > 90 Days:	
Rec. 1.8: Confirm employment status for all current procurement card holders. Deactivate cards issued to former employees as noted in this audit.	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will confirm employment status for all current procurement card holders and deactivate cards issued to former employees as noted in this audit. This process will be documented in the new <i>Procurement Staff Administration and Review Procedures</i> (guidelines for Procurement Staff for managing the program) and performed routinely.	<u>Target Date:</u> 10/31/2020
Explanation, Target Date > 90 Days:	
Rec. 1.9: Develop process to track personal purchases and non-conformance purchases to enable Procurement staff to enforce <i>Procurement Card Guidelines</i> .	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will develop a tracking mechanism to report non-conformance purchases to enable Procurement staff to enforce Procurement Card Guidelines.	<u>Target Date:</u> 10/31/2020

This process will be documented in the new <i>Procurement Staff Administration and Review Procedures</i> (guidelines for Procurement Staff for managing the program) and performed routinely.	
Explanation, Target Date > 90 Days:	
Rec. 2.1: Develop methods to educate cardholders on updating pin numbers and fraud awareness.	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff, when developing the refresher training for procurement cardholders, will include methods to educate cardholders on how to update pin numbers and minimize fraudulent purchases.	Target Date: 1/31/2021
Explanation, Target Date > 90 Days: Staff anticipates developing mandatory online training and will work with IT to develop the training. It is anticipated that this will take at least six months to develop.	
Rec. 2.2: Evaluate and revise the current <i>Procurement Card Guidelines</i> to address: <ul style="list-style-type: none"> • the need for guidance more specific to food purchases • employee appreciation • purchases from political organizations 	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will be responsible for the following: <ul style="list-style-type: none"> • Update the <i>Procurement Card Program Guidelines</i> (guidelines for cardholders) to include: <ul style="list-style-type: none"> ○ Purpose and goals of the program, ○ Prohibition of tobacco product purchases, ○ Guidance on low and inactive card use, ○ Guidance more specific to food purchases, ○ Guidance on employee appreciation purchases, ○ Guidance on purchases from political organizations. 	Target Date: 10/31/2020
Explanation, Target Date > 90 Days:	
Rec. 3.1: Review organizational expenditures to determine methods to best optimize procurement card transactions.	
Response: We concur with the recommendation. The Procurement Administrator and appropriate staff will review organizational expenditures to determine methods to best optimize procurement card transactions and update guidance documents as deemed necessary.	Target Date: 10/31/2020
Explanation, Target Date > 90 Days:	

1 – Procurement Card Program Design

Background

The Procurement Division of the Internal Services Department (Procurement) is responsible administering the Procurement Card Program. City of Tempe (City) policies and forms that define the Procurement Card Program include:

- *Procurement Card Program Guidelines*
- Procurement Card Application
- Procurement Card Training PowerPoint
- Procurement SharePoint site
- *City Procurement Manual 2019*
- *City of Tempe Procurement Division Code of Ethics/Guiding Principles*
- *Tempe City Code- Chapter 26A- Procurement*

Approach

To determine if City procurement card processes and controls are designed to prevent and detect fraud and misuse, we:

- Reviewed Procurement Card Program policy and guidance;
- Conducted a program risk assessment and tested procurement card activities, transaction cycles and related controls;
- Identified the methods in which procurement card policy and guidance is distributed throughout the organization.

Results

Procurement Card Program policies and department administration of program demonstrated need for improvement. Current program policies should address program goals, administration, and department-level obligations to provide clear program oversight and set organizational expectations for the program.

Internal Audit staff evaluated current procurement card policies and practices to assess program design and Procurement staff program roles and responsibilities. The *Procurement Card Guidelines* set the tone for the program and should relay organizational expectations for ethical and efficient card use. Current guidelines do not include a purpose or goals for the Procurement Card Program. Development of a program purpose and goals is an effective way to lead cardholders to work in accordance with the values of the organization.

We also evaluated department procedures for staff managing the Procurement Card Program. Although there are no written procedures that govern the process, Procurement staff has common practices that are followed for program administration. The program is primarily administered by one Procurement Officer and one Procurement Specialist. The development of specific written department procedures that clearly define the roles and responsibilities of the Procurement Officer as the Program Administrator and assigned Specialist would aid in ensuring strong program controls. This absence of written policy introduces the risk of failure in business continuity and inconsistent program oversight.

Internal Audit staff reviewed additional department practices for procurement card administration, including:

- card storage/safekeeping
- monitoring low card use activity
- tracking of personal and nonconforming transactions.

In March of 2020, we created a report with Bank of America to evaluate low card use for January through December of 2019. We identified 73 procurement cards with no or low card use for this specified period. The names of the identified cardholders were sent to Human Resources for verification of employee status. Of the 73 cards identified, 10 were issued to former City employees who had since left City employment. At the time of our review, these cards were still active with the issuer and had not been deactivated at separation of employment. Ensuring cards are deactivated when employment ends is essential to program security and administration.

We also conducted staff interviews and observations to gain insight on current practices. Procurement staff indicated that they do not maintain records of instances of cardholder personal purchases or purchases that do not comply with Procurement Card Guidelines. The guidelines state:

“Significant or consistent procurement card usage problems will cause the suspension or permanent forfeiture of Procurement Card privileges.”

This section of the guidelines cannot be enforced because instances of card misuse are not being tracked. Procurement staff also indicated that new procurement cards are not being stored securely; however, replacement cards are stored in a secured area. Physical security of assets and cardholder accountability are key components of effective program management and reducing program and organizational risk.

Overall, the Procurement Card Guideline card issuance process was adhered to with very minor instances of noncompliance.

IAO reviewed 100 procurement cards issued January through December 2019 to determine if card issuance complied with current policy. The Procurement Card Guidelines state:

“A. Employee procurement card applicant and their Division Head are to sign the Procurement Card Application form.

2. Procurement Card applicants are required to attend a mandatory Procurement Card Training”

In addition to requirements outlined in the *Procurement Card Guidelines*, we reviewed cardholder files to ensure procurement card application monthly and transactional limits were supported with appropriate authorization. Minor occurrences of nonadherence were identified as follows:

- Three accounts had conflicting information regarding authorized monthly and transactional expenditure limits
- Six cardholder signatures were missing from the training/pickup log
- We were unable to verify two card application signatures because files could not be located

Communication for the Procurement Card Program and cardholder education could be enhanced. The provision of additional resources and communication to cardholders highlights the importance of adherence to City policy and helps promote ethical card use.

Internal Audit staff researched Procurement Card Program accessibility and related policies. We additionally met with Procurement staff to discuss training and attended a new cardholder training session. The Procurement Card SharePoint site currently displays the following guidelines and forms related to the program:

- Procurement Card Guidelines
- Card Application
- Credit limit request form
- Dispute purchase form
- Request to close

Cardholders receive high-level training on card use prior to issuance, but no additional training for the duration of cardholder status. Supervisors of cardholders do not receive any training on Procurement Card Program guidelines.

Communication of the Procurement Card Program training and policies can be enhanced through the development of the program SharePoint site and providing periodic refresher training to current cardholders and supervisors. The provision of resources centrally located and accessible to employees allows for relevant guidance for City policies, best practices, and information for responsible card use.

Spend control profiles and merchant category codes established with Bank of America should be reevaluated to ensure they provide an appropriate level of preventative control for the City.

Merchant category codes (MCC) are used to categorize merchants and businesses by the services and goods offered. The City established custom MCC settings with Bank of America to provide cardholder restrictions. MCC transaction codes can be restricted so that the purchase of items that do not comply with City policy can be “blocked.” For example, snowmobile dealers and jewelry stores are restricted MCC codes.

We requested the merchant category codes established with Bank of America for the City account. Currently, there are 937 custom merchant category codes available through Bank of America for the City procurement card commercial account. We reviewed each of the merchant category codes activated and identified several codes that are enabled that may pose potential risks to the organization. For example, gambling-horse and dog racing are not designated as restricted MCC codes. IAO will provide the list of MCC to the auditee to examine current settings and assess the best fit for the organization.

The City currently has approximately 418 active procurement cards with 180 spend control profile options enabled with Bank of America. The spend control profile assigns a cardholder a monthly and transaction amount limit, determines if cash withdrawal is permitted and can assign cardholders to custom MCC settings. This designation is assigned or created during the new card request with the issuer. A review was performed on each card spend control profile to determine if cash withdrawal was enabled for the account. In order to enable cash withdrawal for a card, the spend control profile requires a merchant category cash permitted option enabled in addition to an ATM cash limit more than 0%. Of the 180 spend control profiles, there were no profiles with both cash withdrawal requirements enabled.

Consolidating spend control profiles, disabling ATM access and reevaluating MCC to meet organizational need are important to strengthen program controls and streamline administration. Engaging both controls required to disable the cash withdrawal option for procurement cards would remove the risk of ATM cash access. Consolidating spend control profiles facilitates better program oversight and management.

Recommendations

- 1.1 Update current program guidelines and policies. At a minimum, address the following areas:
 - Establish program purpose and goals and identify in all procurement card guidance.
 - Identify tobacco products as prohibited.
 - Develop guidance that establishes a dual responsibility for Procurement staff and cardholder departments to monitor low and inactive card use.
- 1.2 Develop training for supervisors of cardholders and evaluate potential refresher training for all cardholders.
- 1.3 Enhance procurement card site on SharePoint to provide employees with information to encourage compliant and efficient card use.

- 1.4 Develop written department procedures that clearly define the roles and responsibilities of the Procurement Card Program Administrator and assigned Specialist.
- 1.5 Review current City of Tempe custom merchant category codes established with Bank of America to determine if modifications are needed to better fit organizational needs.
- 1.6 Consolidate spend control profiles and ensure all profiles have cash prohibited and 0% ATM allowances.
- 1.7 Securely store all procurement cards.
- 1.8 Confirm employment status for all current procurement card holders. Deactivate cards issued to former employees as noted in this audit.
- 1.9 Develop process to track personal purchases and non-conformance purchases to enable Procurement staff to enforce *Procurement Card Guidelines*.

2 – Process Verification

Background

Procurement staff manage the Procurement Card Program. There is a designated Procurement Card Program Administrator and an assigned Specialist. Additionally, three Procurement Specialists assist with compliance monitoring and program activities. The citywide *Procurement Card Guidelines* establish authorized and prohibited card use, transaction blocks, reconciling, cardholder and supervisor responsibilities and compliance monitoring.

Procurement specialists review all reconciled statements each month for cardholder compliance with policy. During standard reviews, Specialists review transaction supporting documentation for legitimacy of business need, payment splitting, travel expenses, signatures, contracts, vendors, and quotes. January through December of 2019 produced an average 2,316 transactions per month for approximately 418 cardholders. After the monthly review, cardholder statements are stored in the Procurement storage area.

Approach

Supporting documentation and procurement card guidelines were reviewed for cardholder transactions. We obtained transaction documentation from Procurement storage files, P-Late general ledger journal entries, Accounts Payable procurement card reconciliation spreadsheets and the online Bank of America customer portal.

We judgmentally reviewed 44 cardholder statements with reconciliation dates from January through December of 2019. The Card Decline Report from Bank of America for February 2020 and 19 merchant category code specific transactions were also reviewed to evaluate preventative controls.

To determine if purchases followed the recommended process, we:

- Identified risks and controls related to procurement card purchases;
- Obtained records of reconciled cardholder statements from January- December of 2019 to test a selection of transactions;
- Reviewed supporting documentation for selected reconciled statements;
- Documented any variances in reconciled statement information and Procurement policy;
- Evaluated declined transactions from February 2020;
- Tested transactions for specific merchant category codes to determine if expenditures occurred for each code (e.g. travel agencies, drinking places, tax payment).

Results

Our review of the selected transactions and statements demonstrated that overall, the City's recommended processes were followed. We identified several areas that could benefit from minor improvements, as noted below:

Procurement Card Guidelines do not provide enough guidance related to allowable food purchases which could result in inconsistent and ineffective review of compliance with the policy. This issue was also noted in our Cash Handling Audit issued March 12, 2020.

The City's *Procurement Card Guidelines* state the following related to business meals:

"Any purchase of food or a meal by Procurement Card or other means must satisfy the pre-requisite of being:

- For a legitimate City purpose
- Authorized by the Division/Department Head
- Capable of being defended if questioned by the public, media, Audit and/or City management
- List of employees who attended
- A purchase that otherwise would have been reviewed, accepted and paid through a Purchase & Payment Requisition or by Petty Cash
- Alcohol free"

Overall, the transactions we reviewed followed Procurement policy for purchases but demonstrated a need for clarification related to business meetings that include food expenses. The existing policy does not clearly define what constitutes a legitimate City purpose. The development of explicit restrictions allows for consistent and effective transactional review and compliance with City policy. Boundaries for acceptable practices should be established that address at a minimum the following:

- Does a business meal need to include an attendee not employed by the City? Is a meal with only City employees attending acceptable?
- When employees have exemplary performance, is it acceptable to use City funds to buy staff lunch?
- What is an appropriate gratuity rate for business meals?

Evaluation of the Card Decline Report demonstrated opportunities for additional cardholder training and communication.

We reviewed the February 2020 Card Decline Report from Bank of America. Common reasons that cards were declined shown on the report included invalid pin, account standard limit reached, and potential fraudulent transaction. Effective and efficient card use is an essential component to successful program operation. When

transactions are declined, cardholders are forced to use other methods of payment to acquire the good or service needed. This could result in a delay in obtaining products and services, increased employee time to make necessary purchases, or employees utilizing personal payment methods which require reimbursement. Developing methods to reduce and resolve transaction declines would provide for a more efficient “procure to payment” process.

The occurrence of invalid pin declines and fraudulent activity incidents could potentially be reduced with cardholder education. Providing cardholders with information on updating pins and avoiding fraud benefits program and card security. This also reduces the need to use personal methods of payments when the card fails and delayed payments through other cards issued to the department or other City processes. Periodically updating cardholders on how to change their pins and fraud awareness represents a proactive step to increase cardholder best practices and communicate the importance of ethical behavior.

Bank of America custom merchant category code testing highlighted additional need for policy clarification to avoid potential negative public perception of certain procurement card expenditures.

We selected a judgmental sample of merchant category codes for which purchases are currently permitted. The six categories selected were:

- Travel Agencies
- Drinking places (alcoholic beverages)
- Truck and utility trailer rental
- Political Organizations
- Fines
- Tax payments

For the six merchant category codes reviewed, fifty-seven purchase card transactions were completed from January through December of 2019.

MCC	# Instances	Total \$ Amount
Travel Agencies	34	\$7,128.48
Drinking places (alcoholic beverages)	2	\$97.25
Truck and utility trailer rental	10	\$888.50
Political Organizations	1	\$105.00
Fines	9	\$2,300.00
Tax payments	1	\$25.00

We judgmentally selected nineteen of these transactions to determine if they complied with current City policy. We reviewed supporting documentation submitted for each transaction and compared to current procurement card policy. Our test results showed that transactions were primarily comprised of travel arrangements made through online third-party booking agencies and payments for judicial documents and seminars. All

transactions adhered to current procurement card program guidelines and policies. Two transactions were identified to highlight areas for additional policy clarification.

1. Travel Agencies- \$389.28 Escape Room AZ
2. Political Organizations- \$105.00 Emerge Arizona

The transaction for Emerge Arizona was identified on the receipt as a contribution. The transaction for Escape Room AZ was listed as a deposit for a spring retreat.

Although these transactions are not expressly prohibited by current City procurement policy, further clarification is needed to avoid potential negative public perception. Developing additional guidance on acceptable employee appreciation and purchases from political organizations may encourage departments to be more conscious of potential negative organizational impact. Providing further clarification and establishing constraints in these areas would potentially limit the risk of negative public perception of these purchases.

Recommendations

- 2.1 Develop methods to educate cardholders on updating pin numbers and fraud awareness.
- 2.2 Evaluate and revise the current *Procurement Card Guidelines* to address:
 - the need for guidance more specific to food purchases
 - employee appreciation
 - purchases from political organizations

3 – Incentive Benefit

Background

The City is a member of the Arizona Public Sector Group, a cooperative established with Bank of America. This group is comprised of 46 public sector organizations throughout Arizona. The City has been a member of the group for 15 years and earns a rebate from Bank of America based on a percentage of annual purchase card expenditures. Through this agreement, the City earned an average annual rebate of about \$120,000 over the last three years. The Procurement Card Program provides employees a purchase option that accelerates the procure to pay cycle for transactions, while providing the City a financial incentive for participation.

Approach

We compared the rebate calculation to the provisions in the Bank of America Corporate Purchasing Card Agreement, reviewed monthly billing statements from the issuer for fiscal year 2018-2019, and evaluated the annual rebate documentation from fiscal year 2018-2019 to re-calculate the annual rebate payout. We also interviewed Procurement and Accounting staff to determine if the incentive benefit is optimized and applied correctly.

Results

Based on our review of FY 2018-2019 procurement card expenditures and rebate agreement provisions, the program rebate paid to the City by Bank of America was materially accurate.

IAO staff reviewed the monthly billing statement reports from Bank of America and compared to the rebate agreement provisions and annual rebate payout documentation provided by the issuer. Based on our review of FY 2018-2019 procurement card expenditures and recalculation of the disbursement, the program rebate paid by Bank of America was materially accurate.

Procurement staff is researching methods to further optimize procurement card incentive benefit.

Communication with Procurement Card Program Manager indicated that projects are underway to advance procurement card expenditures and increase the annual rebate payout. The Program Manager has conducted research on potential modifications to future solicitations to increase card engagement with potential vendors.

Additionally, the Program Manager has had discussions with Bank of America account representatives to discuss options to increase procurement expenditures. The issuer has proposed options that are easily accessible to further utilize procurement cards.

Recommendations

- 3.1 Review organizational expenditures to determine methods to best optimize procurement card transactions.

Scope and Methods

Scope

IAO reviewed procurement cards issued January through December of 2019, FY 2018-2019 Arizona Public Sector Group documentation and Bank of America procurement card data from January 2019 through March 2020.

Methods

We used the following methods to complete this audit:

- Interviewed Procurement and Accounting staff to determine processes and policies for Procurement Card Program.
- Reviewed Procurement Card Program Guidelines, City Procurement Manual 2019, City of Tempe Procurement Division Code of Ethics/Guiding Principles , Tempe City Code- Chapter 26A- Procurement, and Procurement training documents
- Reviewed card issuance documents
- Evaluated 44 reconciled procurement statements
- Assessed merchant category codes and tested transactions based on codes
- Reviewed Arizona Public Sector Group annual rebate documentation

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.